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173582  
ACCEPTED  
Legal 2004-18-05

POSTED  
APR 15 2005

April 15, 2005

Charles L. A. Terreni, Esq.  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Docket No. 2005-99-E; Application for approval of Electric Service Contract between South Carolina Electric & Gas Company (SCE&G) and INVISTA

Dear Mr. Terreni:

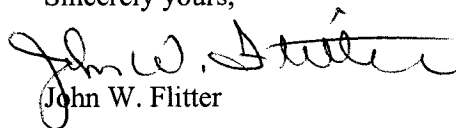
This is to acknowledge that the Office of Regulatory Staff (ORS) has reviewed the above referenced filing and has no objection to the proposed electric service contract between SCE&G and INVISTA. INVISTA will manufacture polyester cord used in the tire industry. The plant is located in Winnsboro, South Carolina.

This contract was executed under SCE&G's economic development program and provides standard rate incentives. SCE&G entered into this agreement to retain and expand the load being served at this facility. Also, this contract will assist in retaining a long-standing manufacturing business in Winnsboro as well as help secure the employment status of many local residents.

If the Commission is inclined to grant this request, ORS would recommend including a provision to require SCE&G to track any resulting revenue shortfall and reserve the appropriate ratemaking treatment related to any shortfall for a future rate proceeding or review as determined by the Commission.

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,

  
John W. Flitter

JWF/

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Florence Belser, General Counsel, SC ORS  
Catherine D. Taylor, Esquire, SCE&G  
Gus G. Ward, INVISTA  
Dr. James Spearman  
F. David Butler, Esquire